Department of State

TELEGRAM 99

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PAGE 01 SUVA 02622 290315Z
ACTION EA-12

INFO OCT-01 ADS-00 AID-07 EB-08 COME-00 AGRE-00 /028 W
354104 291001Z /16

R 282113Z JUL 81
FM AMEMBASSY SUVA
TO SECSTATE WASHDC 4087

C O N F I D E N T I A L SUVA 2622

EXCISE

EO 12065: GDS 7/28/87 (SURBER, RUSSELL J.) OR-M
TAGS: BEXP, FJ
SUBJECT: SALE OF SURPLUS U.S. BUTTER

REF: SUVA 1989

1. (C - ENTIRE TEXT).

2. EMBASSY HAS FOLLOWED WITH SOME INTEREST THE PROPOSED SALE OF U.S. SURPLUS BUTTER ON THE WORLD MARKET. LOCAL DAIRY PRODUCERS AND SUPPLIERS HAVE EXPRESSED A STRONG INTEREST IN PURCHASING A PORTION OF THE U.S. SURPLUS (SEE REFTEL) IF IT IS TO BE SOLD IN SMALL LOTS AT SOMETHING LESS THAN THE CURRENT WORLD MARKET PRICE.

3. ONGOING US-NEW ZEALAND TALKS ON THE SUBJECT HAVE BEEN REPORTED IN THE LOCAL PRESS AND HAVE REKINDLED INTEREST OF FIJI'S DAIRY SUPPLIERS IN PURCHASING U.S. SURPLUS BUTTER.

4. IN THIS REGARD, EMBASSY WOULD LIKE TO SUGGEST THAT FIJI BE CONSIDERED AS A POTENTIAL, IF LIMITED, MARKET FOR ANY SURPLUS BUTTER TO BE SOLD. AT PRESENT, NEW ZEALAND IS PRINCIPAL SUPPLIER OF BUTTER AND BUTTER PRODUCTS FOR FIJI. RECENT SHARP PRICE INCREASE IN WHOLESALE EXPORT PRICE OF NEW ZEALAND BUTTER WILL PLACE SERIOUS STRAINS ON ABILITY OF LOCAL SUPPLIERS TO MEET MARKET DEMAND AT AN ACCEPTABLE PRICE.

6. IF A DECISION IS TAKEN TO SEEL U.S. SURPLUS BUTTER, WE BELIEVE THAT IT WOULD BE A HELPFUL AND WIDELY APPRECIATED GESTURE FOR THE UNITED STATES TO OFFER FIJI UP TO 1,500D TONS OF THE SURPLUS AT SAME PRICE IT EVENTUALLY SELLS TO OTHER INTERNATIONAL BUYERS.

7. THE EMBASSY RECOMMENDS THAT WE MAKE USE OF THIS OPPORTUNITY.
BODDE

DEPARTMENT OF STATE
REVIEWED BY ej DATE 4/11/84
IN PART
EXCISE RL, KS

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